

**NEW ORLEANS SUPER BOWL XLVII
HOST COMMITTEE, INC.**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2013



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
**New Orleans Super Bowl XLVII
Host Committee, Inc.**
New Orleans, Louisiana

I have audited the accompanying financial statements of the **New Orleans Super Bowl XLVII Host Committee, Inc. (the Committee)** (a non-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Committee** as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenditures is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 20, 2014 on my consideration of the **Committee's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **Committee's** internal control over financial reporting and compliance.



VGR, CPA
CERTIFIED PUBLIC ACCOUNTANT
New Orleans, Louisiana

June 20, 2014

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013

ASSETS

Cash and cash equivalents (NOTE 2)	\$ <u>63,250</u>
Total assets	\$ <u>63,250</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ <u>62,035</u>
Total liabilities	<u>62,035</u>
Net Assets (NOTE 2):	
Unrestricted net assets	<u>1,215</u>
Total net assets	<u>1,215</u>
Total liabilities and net assets	\$ <u>63,250</u>

The accompanying notes are an integral part of these financial statements.

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Revenues and Other Support

Sponsorships	\$ 603,451
Grants and contracts (NOTE 4)	4,928,794
Hotel Room rebates	2,379,143
Other	190,432
Rights fees	75,000
Event fees	<u>365,344</u>

Total revenues and other support	<u>8,542,164</u>
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Expenses

Program services	14,597,640
Support services	<u>449,481</u>

Total expenses	<u>15,047,121</u>
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Change in net assets	(6,504,957)
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Net assets, beginning of year	<u>6,506,172</u>
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Net assets, end of year	<u><u>\$ 1,215</u></u>
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The accompanying notes are an integral part of these financial statements.

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (6,504,957)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Decrease in sponsorships receivable	1,985,400
Decrease in grants receivable	1,071,206
Decrease in accounts payable	(461,136)
Decrease in other receivables	108,387
Decrease in prepaid expenses	<u>952,033</u>
Net cash used in operating activities	<u>(2,849,067)</u>
 Net increase in cash and equivalents	 (2,849,067)
Cash - January 1, 2013	<u>2,912,317</u>
Cash - December 31, 2013	<u><u>\$ 63,250</u></u>

The accompanying notes are an integral part of these financial statements.

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION:

The New Orleans Super Bowl XLVII Host Committee, Inc. (the **Committee**) is a non-profit organization that operates exclusively as the host committee for the 2013 National Football League Super Bowl XLVII. The Corporation is authorized to take any and all actions necessary to prepare for the Super Bowl.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Reporting

The Committee has adopted the provisions of FASB ASC Topic 958, Presentation of Financial Statements for Non-profit Organizations and reports its financial position and activities according to three classes of net assets according to externally (donor) imposed restrictions.

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Basis of Reporting, Continued

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **the Committee** are included in this category. **The Committee** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **the Committee** and therefore, **the Committee's** policy is to record these net assets as unrestricted.

Temporarily restricted net assets include realized gains and losses, investment income and gifts, appropriations and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At December 31, 2013, **the Committee** did not have any temporarily or permanently restricted net assets.

Cash and Cash Equivalents

Cash consist solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows. All deposits are secured by federal deposit insurance.

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED:

Fair Value

The Committee adopted certain provisions of Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements which are codified in FASB ASC Topic 820. ASC Topic 820 refines the definition of fair value, established specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. Further ASC Topic 820 require **the Committee** to maximize the use of observable marked input, minimize the use of unobservable marked inputs, and disclose in the form of an outlined hierarchy, the details of such fair value measurements.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 3 - CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject **the Committee** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. At December 31, 2013, **the Foundation** had cash and cash equivalents in the bank totaling \$63,250 as follows:

Checking Account	\$ 62,435
Money market account	<u>815</u>
Total	\$ <u>63,250</u>

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - CONCENTRATION OF CREDIT RISK, CONTINUED:

These deposits are stated at cost, which approximates market. At December 31, 2013, **the Foundation** had \$63,250 in deposits. Interest and non-interest bearing deposits are secured from risk by \$250,000 of federal deposit insurance. As of December 31, 2013, **the Foundation's** deposits were in within FDIC limits.

NOTE 4 - GRANTS AND CONTRACTS:

The Committee is the recipient of a contract from the Louisiana Department of Cultural Recreation and Tourism in the amount of \$4,928,794. The contract was primarily utilized to support the activities of Super Bowl XLVII.

NOTE 5 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES:

In accordance with FASB ASC Topic 820 fair value is defined as the price that **the Committee** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability. ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to established classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **the Committee's** assets or liabilities. The inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 5 - FAIR VALUE MEASUREMENTS OF
FINANCIAL ASSETS AND LIABILITIES, CONTINUED:**

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any market activity. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **The Committee's** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets/liabilities. All assets/liabilities are considered Level 1 assets/liabilities.

The carrying amounts of the assets and the liabilities reported in the Statement of Financial Position approximate fair value because of the terms and relatively short maturity of those financial instruments.

NOTE 6 - CONTINGENCY

The Committee is the recipient of grant funds from various sources. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by the grants are under the control and administration of **the Committee** and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - INCOME TAXES

The Committee is exempt from corporate income taxes under Section 501(c)(6) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements. Should **the Committee's** tax status be challenged in the future, the 2012 tax year is open for examination by the IRS.

NOTE 8 - SUBSEQUENT EVENTS:

ASC Topic 855-10 requires the disclosure of the date through which subsequent events have been evaluated by management and the reason for selecting that date. **The Committee's** management has evaluated subsequent events from January 1, 2013 through June 20, 2014, which represents the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

NEW ORLEANS SUPER BOWL XLVII HOST COMMITTEE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Services	Support Services	Total Expenses
Transfers	\$ 2,088,584	\$ -	\$ 2,088,584
Game day events	1,521,857	-	1,521,857
Insurance	-	35,743	35,743
Supplies	-	14,023	14,023
Computer and internet	-	26,669	26,669
Postage	-	5,948	5,948
Licenses and fees	1,200,010	-	1,200,010
Media expenses	544,075	-	544,075
Miscellaneous	13,928	-	13,928
Printing and advertising	-	366,736	366,736
Sponsor relations	119,199	-	119,199
Telephone	4,222	-	4,222
Web design	-	362	362
Press conference	39,415	-	39,415
Outreach program	203,883	-	203,883
Hotel rooms	2,625,636	-	2,625,636
Airfare	3,718	-	3,718
Ground transportation	223,563	-	223,563
Apparel	127,044	-	127,044
Bank fees	3,570	-	3,570
Management fee	1,350,000	-	1,350,000
Advertising	67,488	-	67,488
Operations	5,868	-	5,868
Facilities	607,537	-	607,537
Special functions	60,000	-	60,000
Events	2,428,852	-	2,428,852
Gifts and awards	69,711	-	69,711
Professional services	14,500	-	14,500
Parking rental	946,138	-	946,138
Security	328,842	-	328,842
Total	\$ 14,597,640	\$ 449,481	\$ 15,047,121

See Accompanying Independent Auditor's Report.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
**New Orleans Super Bowl XLVII
Host Committee, Inc.**
New Orleans, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **New Orleans Super Bowl XLVII Host Committee, Inc. (the Committee)** (a non-profit organization) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 20, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **the Committee's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Committee's** internal control. Accordingly, I do not express an opinion on the effectiveness of **the Committee's** internal control.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

(CONTINUED)

Internal Control Over Financial Reporting, Continued

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

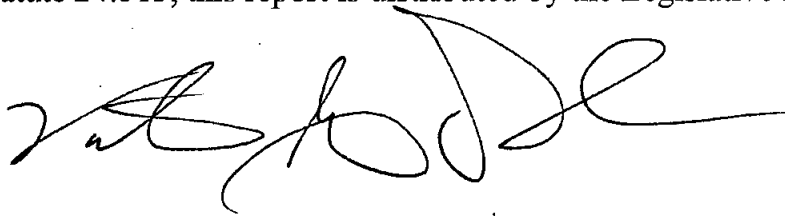
As part of obtaining reasonable assurance about whether **the Committee's** financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

(CONTINUED)

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in dark ink, appearing to be 'VGR', with a large, stylized flourish extending to the right.

VGR, CPA
CERTIFIED PUBLIC ACCOUNTANT
New Orleans, Louisiana

June 20, 2014